



07-R-0601

**A RESOLUTION
BY TRANSPORTATION COMMITTEE**

A RESOLUTION AUTHORIZING THE MAYOR TO CONSENT TO THE ASSIGNMENT BY DIPLOMAT CONSTRUCTION, INC. TO RED ROOF INNS, INC. OF A RESTATED CONSOLIDATED LEASE AGREEMENT COVERING APPROXIMATELY 5.324 ACRES OF LAND NEAR THE HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

WHEREAS, the City of Atlanta (the "City") entered into a Lease Agreement (the "Epstein" Lease), dated November 17, 1959, with Julius Epstein covering approximately 2.82 acres of land near the Hartsfield-Jackson Atlanta International Airport (the "Airport") and a Lease Agreement (the "Murphy Lease"), dated November 17, 1959, with Ralph Murphy covering approximately 2.25 acres of land near the Airport.

WHEREAS, through a series of amendments and assignments, the Epstein Lease and the Murphy Lease were consolidated and ultimately memorialized in a Restated Consolidated Lease Agreement (the "Lease") between the City and Carousel Hotel Corporation ("Carousel"), dated December 9, 1997, covering the occupancy and use by Carousel of approximately 5.324 acres of land near the Airport ("Airport") for the construction and operation of a hotel or motel; and

WHEREAS, pursuant to Resolution 98-R-0720, the City approved the assignment of the Lease by Carousel to Diplomat Construction, Inc. ("Diplomat"); and

WHEREAS, the Lease provides that any assignment of the Lease requires the prior consent of the City; and

WHEREAS, Diplomat now desires to assign the Lease to Red Roof Inns, Inc. and seeks the City's consent for the proposed assignment; and

WHEREAS, the Aviation General Manager and the Chief Procurement Officer recommend that the City consent to the proposed Lease assignment.

THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA, HEREBY RESOLVES, that the Mayor is authorized to consent to the assignment of the Lease by Diplomat Construction, Inc. to Red Roof Inns, Inc.

BE IT FURTHER RESOLVED, that the City Attorney is directed to prepare an appropriate instrument evidencing the consent and approval for execution by the Mayor.

BE IT FINALLY RESOLVED, that the consent will not become binding on the City and the City will incur no obligation or liability under it until it has been approved as to form by the City Attorney, executed by the Mayor, attested to by the Municipal Clerk, and delivered to Diplomat Construction Inc.

A true copy.


Deputy Clerk

ADOPTED by the Council
APPROVED by the Mayor

APR 16, 2007
APR 23, 2007

RCS# 1095
4/16/07
2:33 PM

Atlanta City Council

REGULAR SESSION

CONSENT I EXCEPT, 07-R-0545, 07-R-0583, 07-R-0604
 07-O-0452
 ADOPT

YEAS:	13
NAYS:	0
ABSTENTIONS:	0
NOT VOTING:	2
EXCUSED:	0
ABSENT	1

Y Smith	Y Archibong	NV Moore	Y Mitchell
Y Hall	Y Fauver	B Martin	Y Norwood
Y Young	Y Shook	Y Maddox	Y Willis
Y Winslow	Y Muller	Y Sheperd	NV Borders

CONSENT I

		04-16-07 Council Meeting
ITEMS ADOPTED ON CONSENT	ITEMS ADOPTED ON CONSENT	ITEMS ADVERSE ON CONSENT
1. 07-O-0463	35. 07-R-0567	69. 07-R-0537
2. 07-O-0464	36. 07-R-0568	70. 07-R-0538
3. 07-O-0465	37. 07-R-0569	71. 07-R-0539
4. 07-O-0466	38. 07-R-0570	72. 07-R-0540
5. 07-O-0467	39. 07-R-0572	73. 07-R-0541
6. 07-O-0485	40. 07-R-0573	74. 07-R-0542
7. 07-O-0451	41. 07-R-0574	75. 07-R-0543
8. 07-O-0454	42. 07-R-0578	76. 07-R-0544
9. 07-O-0455	43. 07-R-0579	77. 07-R-0546
10. 07-O-0456	44. 07-R-0580	78. 07-R-0547
11. 07-O-0457	45. 07-R-0582	79. 07-R-0548
12. 07-O-0613	46. 07-R-0584	80. 07-R-0549
13. 07-O-0617	47. 07-R-0585	81. 07-R-0550
14. 07-O-0620	48. 07-R-0586	82. 07-R-0551
15. 07-O-0390	49. 07-R-0595	83. 07-R-0552
16. 07-O-0449	50. 07-R-0597	84. 07-R-0553
17. 07-O-0516	51. 07-R-0601	85. 07-R-0554
18. 07-O-0618	52. 07-R-0605	86. 07-R-0555
19. 07-O-0475	53. 07-R-0521	87. 07-R-0556
20. 07-O-0476	54. 07-R-0522	88. 07-R-0557
21. 07-O-0478	55. 07-R-0523	89. 07-R-0558
22. 07-O-0479	56. 07-R-0524	90. 07-R-0559
23. 07-R-0591	57. 07-R-0525	91. 07-R-0560
24. 07-R-0592	58. 07-R-0526	
25. 07-R-0593	59. 07-R-0527	
26. 07-R-0594	60. 07-R-0528	
27. 07-R-0603	61. 07-R-0529	
28. 07-R-0612	62. 07-R-0530	
29. 07-R-0640	63. 07-R-0531	
30. 07-R-0641	64. 07-R-0532	
31. 07-R-0643	65. 07-R-0533	
32. 07-R-0644	66. 07-R-0534	
33. 07-R-0564	67. 07-R-0535	
34. 07-R-0565	68. 07-R-0536	

Part II: Legislative White Paper:

A. To be completed by Legislative Counsel:

Committee of Purview: Transportation

Caption:

A RESOLUTION AUTHORIZING THE MAYOR TO CONSENT TO THE ASSIGNMENT BY DIPLOMAT CONSTRUCTION, INC. TO RED ROOF INNS, INC. OF A RESTATED CONSOLIDATED LEASE AGREEMENT COVERING APPROXIMATELY 5.324 ACRES OF LAND NEAR HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

Council Meeting Date: April 16, 2007

Requesting Dept.: Department of Aviation

B. To be completed by the department :

1. Please provide a summary of the purpose of this legislation (Justification Statement).

Diplomat Construction, Inc. intends to relinquish its interest in Red Roof Inn to Red Roof Inns, Inc. It is for this reason that Diplomat Construction, Inc. wishes to assign its interest in the Consolidated Lease with the City of Atlanta to Red Roof Inns, Inc. The assignment of the existing Consolidated Lease by Diplomat Construction, Inc. would legally bind Red Roof Inns, Inc. to the leasehold for the remainder of the term, which ends December 31, 2034.

2. Please provide background information regarding this legislation.

In 1997, the City of Atlanta made and entered into a Consolidated Lease Agreement with Carousel Hotel Corporation; which on May 18, 1998, Carousel Hotel Corporation assigned to Diplomat Construction, Inc. with the consent and approval of the City. Red Roof Inns, Inc. and Diplomat Construction, Inc. purchased the inoperable on-site structure, the Airport Hilton. The intent was to demolish the existing unoccupied building and construct a 194-room Red Roof Inn in the same location. Shortly after execution of the Lease assignment in 1998, Red Roof Inn construction was completed and operations began in the Hartsfield-Jackson Atlanta International Airport vicinity. The hotel currently remains in existence and operation.

Diplomat Construction, Inc. was to pay to the City minimum annual rental payments or a percentage of gross revenue, whichever was greater, based upon the following schedule of payments:

- (1) Effective Date, through December 31, 2004
\$47,053.51 annual minimum rent or 2.0%

(2) January 1, 2005, through December 31, 2014
\$58,816.89 annual minimum rent or 2.5%

(3) January 1, 2015, through December 31, 2024
\$70,580.27 annual minimum rent or 3.0%

(4) January 1, 2025, through December 31, 2034
\$94,107.04 annual minimum rent or 3.5%

The minimum annual rent is payable in equal monthly installments on the first day of each month during the remainder of the term of the Consolidated Lease.

3. If Applicable/Known:

(a) **Contract Type (e.g. Professional Services, Construction Agreement, etc):**

(b) **Source Selection:**

(c) **Bids/Proposals Due:**

(d) **Invitations Issued:**

(e) **Number of Bids:**

(f) **Proposals Received:**

(g) **Bidders/Proponents:**

(h) **Term of Contract:**

4. Fund Account Center: N/A

5. Source of Funds: N/A

6. Fiscal Impact: N/A

7. Method of Cost Recovery:

This Legislative Request Form Was Prepared By: Lisa S. Stinson

TRANSMITTAL FORM FOR LEGISLATION

TO: MAYOR'S OFFICE

ATTN: GREG PRIDGEON

Legislative Counsel (Signature): Megan S. Middleton



Contact Number: 6207

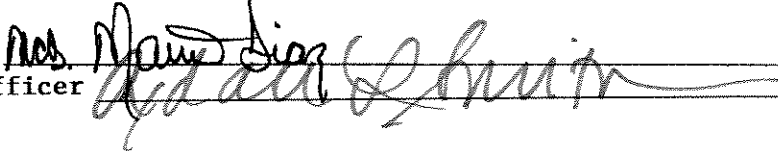
Originating Department: Aviation

Committee(s) of Purview: Transportation

Council Deadline: February 12, 2007

Committee Meeting Date(s): March 14, 2007 Full Council Date: March 19, 2007

Commissioner Signature
Chief Procurement Officer



CAPTION

A RESOLUTION AUTHORIZING THE MAYOR TO CONSENT TO THE ASSIGNMENT BY DIPLOMAT CONSTRUCTION, INC. TO RED ROOF INNS, INC. OF A RESTATED CONSOLIDATED LEASE AGREEMENT COVERING APPROXIMATELY 5.324 ACRES OF LAND NEAR HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

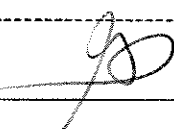
FINANCIAL IMPACT (if any) \$

Mayor's Staff Only

Received by Mayor's Office:

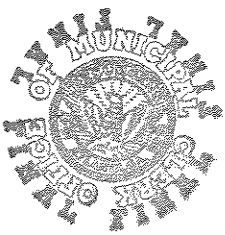
3-5-07
(date)

Reviewed by:



Submitted to Council:

3/15/07
(date)



07-R-0601

**A RESOLUTION
BY TRANSPORTATION COMMITTEE**

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07-*6*-0601

(Do Not Write Above This Line)

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BY TRANSPORTATION COMMITTEE

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DIPLOMAT CONSTRUCTION, INC. TO RED
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COVERING APPROXIMATELY 5.324 ACRES OF
LAND NEAR HARTSFIELD-JACKSON ATLANTA
INTERNATIONAL AIRPORT; AND FOR OTHER
PURPOSES.

ADOPTED BY

APR 16 2007

COUNCIL

- ☐ CONSENT REFER
- ☐ REGULAR REPORT REFER
- ☐ ADVERTISE & REFER
- ☐ 1st ADOPT 2nd READ & REFER
- ☐ PERSONAL PAPER REFER

Date Referred

Referred To:

Date Referred

Referred To:

Date Referred

Referred To:

First Reading

Committee

Date

Chair

Referred To

Committee

3/26/07 Date

Chair *Charles W. Walle*

Action

Fav, Adv, Hold (see rev. side)

Other

Members

Robert L. Davis

Robert L. Davis

Robert L. Davis

Refer To

Committee

Date

Chair

Action

Fav, Adv, Hold (see rev. side)

Other

Members

Committee

Date

Chair

Action

Fav, Adv, Hold (see rev. side)

Other

Members

Refer To

Committee

Date

Chair

Action

Fav, Adv, Hold (see rev. side)

Other

Members

Refer To

Refer To

FINAL COUNCIL ACTION

☐ 2nd

☐ 1st & 2nd

☐ 3rd

Readings

☐ Consent

☐ V Vote

☐ RC Vote

CERTIFIED

APR 16 2007

ATLANTA CITY COUNCIL PRESIDENT

Robert L. Davis

APR 16 2007

Robert L. Davis
MUNICIPAL CLERK

MAYOR'S ACTION

APR 23 2007

MAYOR